

Victorian Co-operative News

Co-operative Federation of Victoria Ltd

– May / June 2001 –

FROM THE EXECUTIVE OFFICER'S DESK

Co-operatives come together in Warrnambool

By Graeme Charles

The Federation conducted an extremely successful event for co-operatives in Warrnambool recently.

The Marketing Our Co-operative Advantage workshop was attended by about 50 people, representing a variety of co-operatives and other organisations, including two State Government departments.



Pleasing aspects

From my point of view, there were a number of pleasing aspects to this event, other than the outcome of the workshop, which is covered elsewhere in this issue.

First, the Warrnambool Co-operative Society provided the Federation with great support.

It not only helped organise the workshop, it also used the expertise of **Tom Webb** (Global Cooperation Inc.) at a workshop on the Sunday before the generic MOCA workshop on Monday, May 14.

Second, it was great to see the amount of networking and discussion taking place between the attendees.

As one co-operative general manager said to me, "I am so pleased I attended the workshop, if for no other reason than it reminded me that we are a co-operative, and of the values of acting like a co-operative."

It was particularly encouraging that the Community Co-operative Store from Nuriootpa, in South Australia's Barossa Valley, sent four delegates to the workshop and used the opportunity to further develop its relationship with the Warrnambool co-operative.

The Community Co-operative Store operates, among other things, a hardware store, a fashion department store, a furniture house and Foodland supermarket, achieving a combined annual turnover of more than \$40 million.

Promising spin-offs

It was also encouraging to see representatives from South West Credit Union Co-operative.

Last year, the Federation's Energy Aggregation workshop was attended by a number of credit unions, and it was good to see another of our workshops involving this important sector of the co-operative movement.

I am aware that South West Credit Union, which is based in Warrnambool, and the Warrnambool Co-operative Society may, in future, discuss areas of possible mutual interest. What a wonderful spin-off from the workshop.

On the Tuesday morning after the workshop, the Warrnambool Co-operative Society hosted a tour of its site.

This was greatly appreciated by those who were able to extend their time in Warrnambool, including the Nuriootpa representatives, and Co-operative Federation director, **Tony O'Shea**, who is secretary of the Avoca District Co-operative in central Victoria.

All in all, this was, for me, the highlight of my time working for the Federation.

I sincerely hope we can build on the momentum we have created and look forward to offering more of this type of service to our members in the not-so-distant future.

Developing directors kit and workshops

Incidentally, the workshop also gave me the opportunity to talk with member co-operatives about our Developing Directors of Co-operatives Introductory workshops, to be conducted in early July.

At this stage, it is likely that these introductory workshops will be held in Maffra, Avoca, Wangaratta, Warrnambool and Melbourne. Other workshops can be arranged if there is the demand.

Please contact me at the Federation office for more information.

Full details will be provided shortly in a directors kit and workshop brochure you will be receiving. ■

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What is your co-operative's chance of continued success?

By David Griffiths

That was the key challenge for the 46 co-operators from 17 co-operatives who attended the Marketing Our Co-operative Advantage (MOCA) Workshop on May 14 at the Sundowner Mid-City Motor Inn, Warrnambool.

The workshop explored the relationship between marketing concepts and education, reviewed co-operative market research and how other co-operatives have used the MOCA approach.

The program leader was **Tom Webb**, a Canadian co-operative educator with more than 20 years experience in the co-operative sector – including consulting to co-operatives and governments in Canada, the USA and UK.

The MOCA thesis is that co-operatives are unique



MOCA THOUGHT

Twenty-five of the participants shared their thoughts about the MOCA workshop:

- **92% agreed or strongly agreed the aims of the workshop were made clear before and during the workshop.**
- **92% agreed or strongly agreed the venue was suitable for the workshop.**
- **64% agreed or strongly agreed the topics covered were relevant to their co-operative.**
- **68% agreed or strongly agreed the issues were covered in sufficient depth.**

from private and public enterprises, and that there is a co-operative difference that creates a co-operative advantage.

Eventual co-operative failure or success, then, is seen as dependent on co-operatives acting on their own co-operative advantage.

The key themes of the workshop were:

- The co-operative nature of the business is a key asset and a source of value in market differentiation.
- Co-operative principles, especially the belief that living and communicating these values builds membership, increases sales and strengthens financial stability of co-operatives.
- Market research shows that people value co-operatives and credit unions, and the principles on which they rest.
- Linking marketing, communications, education and strategic planning efforts to ensure a focus on consistently delivering the co-operative advantage to members and the general public.

WHO WENT?

These co-operatives were represented at the MOCA workshop:

- **Australian Venison Co-op**
- **Avoca District Co-operative**
- **Colac Herd Improvement Co-op**
- **Co-operative Energy**
- **Demo Dairy Co-operative**
- **Herd Improvement Co-operative (Maffra)**
- **Hopetoun Courier Co-operative**
- **North East Telecommunications Co-op**
- **Rupnorth Co-operative**
- **Southern Agricultural Producers Co-op**
- **South West Credit Union Co-op**
- **Terang & District Co-operative Society**
- **The Capricorn Society (WA)**
- **Community Co-op Store (Nuriootpa) (SA)**
- **The Warrnambool Co-op Society**
- **Tobacco and Associated Farmers Co-op.**
- **Y.C.W. Co-operative Society**

Supporting research

The MOCA thesis is supported by recent Canadian co-operative research.

The Canadian Co-operative Association and le Conseil Canadien de la Cooperation recently commissioned research on Canadian agricultural co-operatives in the 21st Century. The research has been published and the analysis is relevant to the development and future of all co-operatives.

The research reports on how co-operatives have developed since their formation and how their responses are determining their eventual success or failure.

The research has concluded that the key for continuing co-operative success is retaining a sense of member identity and providing members with a feeling of ownership and control.

Case studies

Based on 16 case studies and a literature review, the research argues that the following factors influence membership ownership and control:

- values and ideology;
- member education;
- the sense of common goals among members;
- the structure of the co-operative;
- the size of and the nature of the activities carried out by the co-operative; and
- the type of management and government regimes in place.

The case studies included Australia's Dairy Farmers Group and its challenge to adapt to market deregulation and increased competition. While 12 are agricultural co-operative case studies, the other four are a credit union, restaurant operator, a wholesaler and manufacturer, and a bank.

Member, director and management education is particularly identified as critical to:

- maintaining the connection between individual and group interest;
- creating and maintaining a sense of ownership and control; and
- encouraging innovation and adaptation.

Challenge

The challenge for all co-operatives is to decide whether or not the co-operative advantage is critical to their continuing survival as co-operatives.

Of the 25 respondents who responded to a MOCA workshop evaluation question, 84% agreed or strongly agreed that there should be more workshops about the Co-operative Advantage.

The specific challenge for the CFV is how we move this forward and the specifics of our role in facilitating this development. ■

CASE STUDIES

These 16 case studies were the basis of the research for *Canadian Agricultural Co-operatives in the 21st Century*:

- **Agricore**
- **American Crystal Sugar**
- **Burger King**
- **CUMA Machinery Co-ops**
- **Dairy Farmers Group**
- **Federated Co-operatives Limited**
- **MD/Klover Foods**
- **Naicam Co-op**
- **Prairie Centre Credit Union**
- **Rabobank**
- **Rooster.com**
- **Saskatchewan Wheat Pool**
- **Spring Wheat Bakers**
- **Tri Valley Growers US Premium Beef**
- **United Country Brands**
- **United Sugars**

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VICTORIAN GOVERNMENT CO-OPERATIVE INFORMATION

Consumer and Business Affairs Victoria's (CBAV) web site has information about the responsibilities of co-operative directors, who can become a director, and fees.

The following co-operative documents can also be downloaded:

- **Annual report for your co-operative**
- **Application to approve name, rules and disclosure statement of your co-operative**
- **Application to make changes to your co-operative**
- **Co-operatives Act 1996**

- **Guide to forming and running a co-operative**
- **Model rules of a non-trading co-operative with shares (Government Guaranteed)**
- **Model rules of a non-trading co-operative with shares**
- **Model rules of a non-trading co-operative with no shares**
- **Model rules of a trading co-operative.**

The co-operative information on the site was as of October 19, 2000.

The CBAV web site address is at www.consumer.vic.gov.au

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Do ya wanna be a director?

Later this year, the Executive Officer will be calling for delegates to nominate as directors and I hope that there will be an election at the Federation's annual general meeting (AGM).

The board is committed to encouraging appropriate candidates and, in particular, contested elections.

In recent years there has been both a shortage of candidates and a high turnover of directors. Of the 10 directors who were in office at June 30, 1998, four are still directors on the current board.

The board meets about six times a year and it is always disappointing when some directors struggle to attend more than 25% of the meetings.

Over the past 18 months, the board has increased its efficiency and, therefore, the effectiveness of the Federation.

I have worked with the Executive Officer to improve the meetings, e.g. an action list is distributed with agendas and minutes, minutes are distributed within seven days of each meeting and most reports are distributed with agendas.

In a time of continuous improve-

ment, but real challenges, there should be competition for positions on the board.

We all need to beware, however, of candidates seeking a position as a director to gain a personal advantage. This is not only unprincipled, but a mistaken possibility.

In considering whether or not to offer themselves as candidates, I would like delegates, and their co-operatives, to consider each of the following directors' obligations:

- Serving the total co-operative membership and not just the delegate's individual co-operative or sector.
- Putting in a reasonable amount of time, interest and commitment into discharge responsibilities.
- Attending a minimum 75-85% meetings, i.e. a regular and dependable attendance record.
- Working with all directors as a team, and supporting majority decisions and formally registering dissent if necessary.
- Advising other directors of, and recording in the minutes, personal conflicts of interest, e.g. if your co-operative provides services competing with Federation services or a

board decision could have a positive benefit for your co-operative.

- Reviewing the agenda and papers circulated before board meetings.
- Respecting and protecting highly sensitive and confidential material.
- Requiring that board decisions are adequately researched and analysed.
- Ensuring your co-operative responds to Federation initiated and/or sponsored surveys.
- Attending or ensuring your co-operative is represented at Federation workshops.
- Attending AGMs and SGMs.

If the answer is yes on each of these obligations, your nomination to the board is most welcome.

The Executive Officer and I are also preparing a director manual. Delegates interested in nominating for the board are invited to contact the Chairman and/or Executive Officer to discuss the possibility.

Arrangements may also be made for interested aspiring directors to attend a board meeting before the AGM.

– David Griffiths

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